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[What Will Obama's Cap-And-Tax Plan Cost You?](#)

Posted by: [Staff](#) in [Fiscal Responsibility](#) , [Energy Independence](#) on May 11, 2009

The [Heritage Foundation's Foundry blog](#) has a good post over the weekend about the Democrats' planned national energy sales tax with cost the average American family:

Any honest economist will tell you that a carbon cap and trade scheme, if it works perfectly, functions the same as an energy tax. The Waxman-Markey cap and trade bill currently under consideration in Congress is no different. In 2007, MIT did a study on the costs of cap and trade and found that cap and trade proposals that would reduce carbon emission by 50% to 80% below 1990 levels by 2050 would cost the American household \$800 a year in economic losses and \$3,100 a year in taxes collected by the federal government. That's a total \$3,900 cost for the average American household! How does this cost compare to other household expenses?

Families, make room for \$3,900 in 'cap and trade'

Americans will have to find \$3,900 a year more in the family budget if Congress approves "cap and trade" rules proposed by President Obama to counter global warming, according to a Massachusetts Institute of Technology study. That annual cost, which MIT says includes \$800 to reduce use of fossil fuels, would be more than double what an average household spends on essential expenses:



\$1,764

All meat, poultry, fish, eggs, dairy products, fruits and vegetables



\$1,797

All furniture, appliances, carpet, and other furnishings



\$1,881

All clothes and shoes



\$1,783

All electricity and natural gas



\$1,709

All property taxes

Sources: Bureau of Labor Statistics, Consumer Expenditure Survey, 2007; MIT Joint Program on the Science and Policy of Global Change, "Assessment of U.S. Cap-and-Trade Proposals," 2007.

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